

From Your Commissioner of the Revenue

Terry L. Yowell



PERSONAL PROPERTY UPDATE:

Every year my staff and I are required by the Code of Virginia to value Motor Homes, Campers and Travel Trailers, Boats and Airplanes for the purpose of taxation.

The Code of Virginia states that this property is taxable and that this property shall be valued by means of a recognized pricing guide or a percentage or percentages of cost (58.1-3503).

There are many reasons why it is important for you, if you own one of these vehicles, to make sure we have the most accurate and up to date information possible in order to value your vehicle appropriately and fairly. I have listed some of these reasons below.

We use the January issue of the National Automobile Dealers Association (NADA) to manually value Recreational Vehicles (drivable motorized campers, pull-behind campers and travel trailers). Each year we receive information from DMV for these vehicles registered in Virginia listing a garage jurisdiction of Culpeper County. We usually receive a name of a manufacturer and/or a model name. We make every attempt to value property to the best of our ability, but sometimes the manufacturer name will come from DMV listed as "Chevrolet" or "Ford". Chances are the unit is manufactured using a Ford or Chevrolet chassis, but the actual manufacturer or model name is something else.

We use the cross-reference section of NADA to guide us, but some units have more than one cross-reference suggestion. If all else fails, we assess using a percentage of cost. At this time, NADA has no electronic method of valuing recreational vehicles where every digit is used to help identify the exact unit, such as is used to value cars and light trucks.

If you would like to make sure your recreational vehicle is assessed using the recognized pricing guide, please contact my office. You may have paperwork from your purchase that will specify the manufacturer, the model, the length and/or the floor plan. The more information we have, the more accurate the assessment will be.

Boats are assessed using the Anderson and Bugg Outboard Service (ABOS) which was first published in 1949. This Marine Blue Book is nationally recognized as the professional's choice. Each year, we send our boat records as received from the Department of Game and Inland Fisheries (DGIF) to Vessel Valuation Services, Inc (VVS). VVS uses an electronic version of ABOS to value each boat and motor using year, make, length and horse power (if applicable). If a boat cannot be valued by a direct match, an electronic comparison is made using all information that is provided. Any boat not recognized by ABOS will be sent back to us for valuation. We will either manually compare or use a percentage of cost. Once again, the more information we have from the owner the more accurate the assessment will be.

Each year we receive a list from the Federal Aviation Association listing airplanes registered in

Culpeper County. We also receive a list from the Culpeper County Airport. We use the data provided to manually assess airplanes using the Aircraft Bluebook Price Digest. This recognized pricing guide has been considered the world's leading authority since 1952. Again, we make every attempt to assess to the best of our ability but, in some cases, we receive very little information from the owner. I cannot say it enough. The more information we have from the owner the more accurate the assessment will be.

Please contact us if you are not certain we have all the information necessary to value your motor home, camper, travel trailer, boat or aircraft.

As always, if you have any questions or concerns, please do not hesitate to come by, call or email me at Tyowell@culpepercounty.gov .

REAL ESTATE UPDATE FROM THE COMMISSIONER OF THE REVENUE DIVISION OF REAL ESTATE ASSESSMENTS

Why do we have a general reassessment of real property?

Code of Virginia § 58.1-3252

There shall be a general reassessment of real estate every four years. Any county which, however, has a total population of 50,000 or less may elect by majority vote of its board of supervisors to conduct its general reassessments at either five-year or six-year intervals.

When is the next general reassessment effective?

Culpeper County, like most rural counties, is on a four-year reassessment cycle. The last assessment was conducted in 2003 by an outside source contracted with by the County Board of Supervisors. The BOS has contracted with my office, (The Culpeper County Commissioner of the Revenue) to conduct the next general reassessment which will be effective January 1, 2007.

When will the process start?

The General Reassessment process is well under way! We have chosen very qualified Culpeper citizens to serve as data technicians. They have begun the field work phase and look forward to visiting every property in Culpeper. We want to thank you for your cooperation. Any information you can provide will be very helpful and appreciated.

UNDERSTANDING YOUR ASSESSMENT

The job of the Real Estate Assessor, by law, is to assess real property at 100% of market value. The Assessor does not establish the tax you pay on the assessed value of your real estate. The tax you pay is determined by multiplying the assessed value by the tax rate. The tax rate is determined each year during budget time by the Board of Supervisors. A notice of the proposed tax rate is published in a local newspaper with general circulation (Culpeper Star-Exponent), and the public is invited to attend and address concerns about the proposed tax rate.

To understand your assessment it is important to understand **Market Value**. The assessed value of your home and/or other real estate is a reflection of the market value of the property. **Market Value** is defined as: the price you could expect your property to sell for if you listed it on an open market for a reasonable length of

time, in order to find a willing purchaser. Market value assumes that neither you nor any potential buyers of your property are under any pressure to sell or purchase the property.

In order to determine market value, sales of similar properties are compared to your property (a comparison analysis). After allowing for the differences in the properties (a value adjustment) an estimate of market value is determined based on the adjusted indicated values of the sales. As an example of a value adjustment, we would not use the sales of newly constructed dwellings to determine the value of an older existing dwelling.

It is important to remember that while your market value assessment reflects the average value of similar properties with similar uses/characteristics that sold in similar neighborhoods between 2003 and 2006, the selling price of a property is the price a particular buyer and seller agree to in a particular transaction.

What people actually pay for a property can vary for many reasons. What a person would sell a property for at a particular point in time will also vary depending on the circumstances of the individual. Such things as personal preferences, negotiating skills, particular wants and desires of both the seller and the buyer may alter the actual selling price of a property, regardless of the property's assessed value. In some cases this variance may be substantial.

As I indicated earlier, the last assessment for Culpeper County properties was January 1, 2003. Both new and existing property values reflect the 2003 assessed value determined by the January 1, 2003 assessment. The next scheduled assessment is currently underway and will be completed for January 1, 2007.

Our preliminary analysis of sales that occurred in years 2003, 2004, and 2005 indicates that real estate values in this area have increased dramatically from the January 1, 2003 assessment date. Most sales for Culpeper County property have far exceeded the 2003 assessed value of the property. All indications continue to show a significant demand for housing in Culpeper County, as new construction continues to thrive. The next assessment (effective January 1, 2007) will also include sales that occur in 2006. The 2007 assessment will reflect the cumulative increase for the four-year assessment cycle.

It is also important to remember that income, especially for the elderly and disabled, may not have kept pace with the dramatic increase in property values in this community. The Culpeper County Board of Supervisors has enacted a **Tax Relief Program** that is administered by my office. This is a confidential service available to all county property owners who qualify. To learn more about the tax relief program, you may visit our website at <http://www.culpepercounty.gov/Commissioner/taxrelief.htm>